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PWR 312

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION
WASHINGTON 25, D.C.

December 3, 1951

POWER MEMORANDUM 312

Subject: Equipment Experience Clause for Purchases Related to Borrowers' Power Facilities

This memorandum prescribes the procedure under which an equipment experience clause may be incorporated in the Notice and Instructions to Bidders and applies to the construction of power facilities for a power-type borrower and of generation facilities for a distribution-type borrower. The use of equipment experience clauses is not encouraged and should be kept to a minimum.

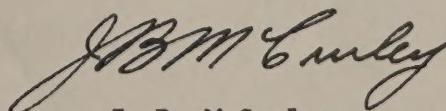
It is the responsibility of the borrower upon the advice of its engineer to determine, (1) if an equipment experience clause is required, and (2), if required, the text of the clause. Such a clause shall be so phrased that the acceptability of the equipment offered by the bidder may be determined from facts of record prior to the bid opening. The proposed equipment experience clause, together with a board resolution approving this clause, shall be submitted to the Power Division for approval. No equipment experience clause shall be used without prior approval of its text by the Power Division for each contract.

Any equipment experience clause which may be approved shall appear in the Notice and Instructions to Bidders and shall require that evidence of compliance be submitted on or before a specified time prior to the bid opening.

Prior to the opening of the sealed bids the borrower's engineer shall, (1) determine if there is full compliance with the equipment experience clause, (2) determine from the evidence submitted and any other information he may have if the equipment offered by the bidder is acceptable, and (3) recommend to the borrower appropriate action. In the event that the equipment is not found acceptable by the borrower and its engineer, the bid shall not be opened and the sealed bid shall be returned to the bidder.

Compliance with any equipment experience clause which has been required by the Notice and Instructions to Bidders shall not be waived.

This supersedes Memorandum BPDK-1 dated 11-9-49 and all other existing instructions in conflict with the provisions of this memorandum.


J. B. McCurley
Chief, Power Division

